

Would You Be Covered If Your Home Flooded?

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Commissioner Stewart Offers Tips on Flood Insurance

■ **DOVER, DE** – According to Delaware's Department of Natural Resources and Environmental Control (DNREC), more than 331 square miles, or 17 percent, of Delaware's land mass is within a high risk flood zone, including more than 18,000 structures statewide. Insurance Commissioner Karen Weldin Stewart and the National Association of Insurance Commissioners offer the following information to help you get smart about your flood insurance options.

Many people don't know that a standard homeowners or renters insurance policy almost never covers damage to your home or its contents due to flood waters. If your home were to flood tomorrow, would you be covered by your insurance? Do you even know your home's risk potential for a flood? Before you can decide what sort of coverage you may need, you need to know your risk.

To learn about your home's risk for flooding visit our Flood Insurance webpage, <http://delawareinsurance.gov/departments/consumer/flood.shtml>, which has links to county-specific flood maps from DNREC and links to additional maps from FEMA.

Just because you don't live near a body of water doesn't mean that you're safe from flooding. According to the National Flood Insurance Program (NFIP), floods are the number one natural disaster in the U.S., and consumers outside of high-risk flood areas may account for more than one in five flood insurance claims. The NFIP helps communities understand their risk by providing flood maps. Risk levels are divided into three categories:

- High-risk areas have at least a 1 percent chance of flooding annually. All homeowners in these areas with mortgages from the federally regulated or insured lenders are required to buy flood insurance.
- Moderate-to-low-risk areas have less chance of flooding annually, but the possibility is not completely removed. Flood insurance in these areas is not required, but it is recommended for all property owners and renters.
- Undetermined-risk areas are where flood-hazard analysis has not been conducted, but a flood risk still exists.

So if you're at risk, are you covered? Generally, homeowners insurance does not offer protection against flood losses. You should check your policy under "exclusions." If coverage for flood damage exists, it will probably be listed under "water damage." Contact your agent or insurer to find out more about what your current policy covers.

While some private companies offer flood insurance, most flood insurance in the U.S. is backed by the federal government under the NFIP. It may be purchased through licensed property and casualty insurance agents or through many private insurance companies. Typically, there's a 30-day waiting period from date of purchase before a policy goes into effect. There are also eligibility restrictions to qualify for

National Flood Insurance. Please contact the NFIP with eligibility questions at (800) 427-4661 or visit the NFIP's website, www.floodsmart.gov.

The standard flood insurance policy covers direct physical damage to your insured property up to the replacement cost or actual cash value of damages, or the policy limit of liability, whichever is less. It covers structural damage, including damage to the furnace, water heater, air conditioner, flooring and debris clean-up. Coverage for basements, crawlspaces and ground-level enclosures on elevated homes is limited, so talk to your agent about any restrictions in your policy. The contents of your home are not covered under a standard flood insurance policy.

Flood insurance generally covers damage caused by hurricanes, rivers, and tidal waters extending over at least two acres. Flood insurance covers overflow, inland or tidal waters, and unusual and rapid accumulation or runoff of surface waters of any source. The flood must be a general and temporary condition. Flooding from wind-driven rain entering through a wind-damaged window or door, hole in a wall, or the roof is typically not covered by a flood policy, but is generally included in most homeowners policies.

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The Delaware Department of Insurance mission: **Protecting
Delawareans through regulation
and education while providing oversight of the insurance
industry to best serve the public.**

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